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June 11, 2013

The Honorable Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
P. O. Drawer 11649
Columbia, South Carolina 29211

Re: Electric Service Agreement – Continental Tire the Americas LLC
SCPSC Docket No. 2013-XXX-E

Dear Ms. Boyd:

In accordance with S.C. Code Ann. Regs. 103-303 and 103-804(Y)(2), Duke Energy Progress, Inc. ("Company" or "DEP") files herewith for approval an Application for the Supply of Electricity between Company and a new customer, Continental Tire the Americas LLC ("Continental Tire"). This Service Agreement governs electric service to Continental Tire's plant in Sumter, South Carolina. Continental Tire intends to operate a tire manufacturing facility.

Because of the commercial sensitivity and proprietary nature of certain provisions of this Service Agreement as well as the highly competitive nature of the industry in which Continental Tire operates, the Company and Continental Tire respectfully request that this Service Agreement be received in its original form under seal for Commission review. An affidavit executed by Mr. Robert J. Patton, Assistant Secretary for Continental Tire the Americas LLC, is attached in support of this request for confidential treatment.

I therefore enclose the following:

(1) I am providing a redacted copy of the Service Agreement for filing. This redacted copy can be maintained in the Commission's publicly available files and may be disclosed upon request pursuant to the Commission's general procedures under S.C. Code Ann. Regs. 103-804(Y) and the Freedom of Information Act.

(2) By copy of this letter, the Company is providing the Office of Regulatory Staff ("ORS") with a redacted copy of the Service Agreement for its records. Additionally, DEP will make the original, unredacted copy of the Service Agreement available for ORS's inspection subject to the provisions of S.C. Code Ann. §58-4-55(C). Pursuant to this section, the Service Agreement is exempt from disclosure under the Freedom of

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Chief Clerk and Administrator
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Information Act. Further, the ORS is precluded from disclosing the information obtained from its review to any other person or entity.

The Company is also sending to the Commission via overnight delivery the original Service Agreement in a sealed envelope marked "CONFIDENTIAL." Each page of the Service Agreement is also marked "CONFIDENTIAL." The Company requests that the Commission treat the Service Agreement and all copies thereof as confidential and proprietary, and is providing the Service Agreement with the expectation that it is exempt from disclosure to any third parties, including but not limited to exemption from disclosure under the Freedom of Information Act, S.C. Code Ann. §§30-4-10 et seq., or any other provision of law. *See, e.g., S.C. Code Ann.* Regs. 103-303 and 103-804(Y). The Company further requests that in the event that anyone should seek disclosure of this unredacted Service Agreement, the Commission give DEP notice of such request and provide it with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the Service Agreement from disclosure. The Company trusts that the Commission would support its efforts to protect the Service Agreement from disclosure. Continental Tire supports the Company's request for confidential protection.

The Company further requests that the unredacted (sealed) Service Agreement be returned to the Company subsequent to the Commission's consideration. Although DEP prefers that the Commission not make any copies of the unredacted Service Agreement, it further requests that should any copies of the unredacted Service Agreement be made, the Commission provide certification either that all such copies have been destroyed or that all copies have been returned to DEP.

Additionally, DEP respectfully requests that the matter be placed upon the agenda for the Commission's consideration at its next scheduled meeting. The Company anticipates that ORS will provide the Commission with comments prior to that meeting. If you have any questions regarding this Service Agreement, please do not hesitate to call me at your convenience. Thank you for your attention to this matter.

With kind regards,


Timika Shafeek-Horton
Deputy General Counsel

BLF/gw

Attachments

cc: Mr. Dan F. Arnett - Office of Regulatory Staff
Mr. John W. Flitter - Director of Electric and Gas Regulation

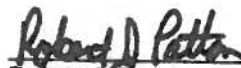
STATE OF SOUTH CAROLINA
COUNTY OF LANCASTER

AFFIDAVIT

The undersigned, Robert J. Patton, first being duly sworn, deposes and says:

1. That I am Assistant Secretary for Continental Tire the Americas, LLC ("Continental Tire")
2. That I have reviewed the Electric Service Agreement with effective date July 1, 2013 by and between Continental Tire the Americas, LLC and Progress Energy Carolinas, Inc. ("PEC") that was filed with the Public Service Commission of South Carolina ("the Commission").
3. That this Service Agreement contains proprietary, confidential information regarding Continental Tire's energy costs that would harm Continental Tire's competitive position in the tire industry if publicly disclosed.
4. That Continental Tire supports PEC's request that the unredacted copy of the Service Agreement filed with the Commission be treated as confidential.

This the 4th day of June, 2013.

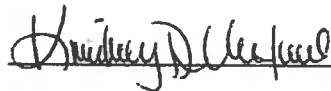


Robert J. Patton

Title: Assistant Secretary

Sworn to and subscribed before me,

This the 4th day of June, 2013.



Notary Public

My commission expires: 01/27/2022



APPLICATION FOR SUPPLY OF ELECTRICITY

1. The undersigned, hereinafter called "Customer," hereby applies to Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. hereinafter called "Company," for the supply of all purchased electricity needed for the operation of customer's tire manufacturing facility located at or near Sumter, S.C. In an initial amount of not less than [REDACTED] kW, in accordance with the terms hereof, Company's Schedule No. LGS-TOU-20, Rider(s) No. 39C and its Service Regulations, a copy of each being attached hereto and hereby made a part hereof.
2. Electricity supplied hereunder shall be in the form of __ phase __ wires, alternating current of approximately 60 hertz frequency and at approximately __ volts. The maintenance by Company of electricity available to Customer in the above form, and in the quantity applied for, at the point(s) of delivery defined below, shall constitute delivery by Company of the electricity applied for whether or not Customer makes any use thereof.
3. The point(s) of delivery for service supplied hereunder will be __.
4. Upon the acceptance hereof by Company, evidenced by the signature of its authorized representative appearing below, this Application shall be an Agreement for the supply of the electricity applied for.
5. Bills rendered for the electricity supplied hereunder are payable at Company's Raleigh, N. C. office.
6. Company will plan for, install, and maintain all the facilities necessary to meet all of Customer's electricity needs now and in the future.

date electricity is first taken hereunder, whichever is earlier; Customer shall pay Company termination or contract reduction charges in accordance with Company's Service Regulations contained herein, and any changes therein, substitutions therefor, or additions thereto lawfully made.

7. This Agreement and the applicable Schedule, Riders, and Service Regulations hereto attached are subject to changes or substitutions, either in whole or in part, made from time to time by a legally effective filing of the Company with, or by order of, the regulatory authority having jurisdiction, and each party to this Agreement reserves the right to seek changes or substitutions, in accordance with law, from such regulatory authority. Unless specified otherwise, any such changes or substitutions shall become effective immediately and shall nullify all prior provisions in conflict therewith.
8. Company's obligation to deliver electricity as covered in this Agreement on the agreed upon date is contingent upon Company's receiving the rights-of-way and receiving the necessary equipment in sufficient time to install it on or before that date.
9. Customer shall be responsible for installing and maintaining devices adequate to protect against damages caused by irregularities or outages on Company's system, regardless of the cause or fault, including devices to protect against voltage fluctuations and single phasing.
10. Company is not liable for any loss, cost, damage, or expense to any customer occasioned by any failure to supply electricity according to the terms of the contract or by any interruption or reversal of the supply of electricity, if such failure, interruption, or reversal is due to storm, lightning, fire, flood, drought, strike, or any cause beyond the control of Company or any other cause except willful neglect on Company's part.

• On or before [REDACTED] the contract demand shall be increased to [REDACTED]; on or before [REDACTED] the contract demand shall be increased to [REDACTED] kW, on or before [REDACTED] the contract demand shall be increased to [REDACTED] kW and on or before [REDACTED] the contract demand shall be increased to [REDACTED] kW

** See Exhibit No. 1 attached hereto and constituting a part hereof.

See Paragraphs 11, 12, 13, 14, 15 and 16, attached hereto and constituting a part hereof.

Witness as to Customer:

Customer

**ACCEPTED: Carolina Power & Light Company
d/b/a Progress Energy Carolinas, Inc.**

By: Dominic M. Deady

Title: Power Contracts Administrator

This 1st day of March 2013

 Continental Tire the Americas, LLC

By:

By: 1-6 Title: JPL 7425

Mail Bill To:

Name: Continental Tire the Americas, LLC

Attn: Julie Stoner

Address: 1830 MacMillan Park Dr.

Fort Mill, SC 29707-7712

DUPLICATE ORIGINAL

11. SPECIAL PROVISIONS PERTAINING TO THE SUPPLY OF ELECTRICITY TO CUSTOMER'S PREMISES IN A SPECIAL MANNER REQUIRING FACILITIES OVER AND ABOVE THOSE NORMALLY PROVIDED BY COMPANY

- A. The provisions for providing the special facilities described herein and the related Monthly Facilities Charges have been approved by the state regulatory authority having jurisdiction and are included in Company's Service Regulations as subparagraph (a) under the paragraph entitled "INSTALLATIONS." The percentages used to determine the Monthly Facilities Charges are subject to change from time to time by the same regulatory authority and when any changes occur, the Monthly Facilities Charge will be recomputed accordingly. The Monthly Facilities Charge stated below shall be subject to said changes and will be in addition to the regular monthly charges for electricity consumed by Customer.
- B. Normally Company would provide lines, metering, and necessary equipment to supply all of Customer's electric service needs through a single point of delivery and render Customer a single monthly bill under an applicable rate schedule. At Customer's request, Company is agreeable to providing an additional substation transformer, metering, and necessary equipment to supply Customer's special electric service needs at the several points of delivery described on Exhibit No. 1 and render Customer a totalized bill under an applicable rate schedule. In consideration for providing the additional facilities to meet Customer's special electric service needs and the equipment to supply the totalized metering service, Customer will pay Company a Monthly Facilities Charge of [REDACTED] based on the currently approved percentage of 2.0 percent. [REDACTED]
- C. In case of increases, decreases, or other changes required in the facilities necessary to supply Customer's special electrical needs under this agreement, except the replacement of existing equipment with equipment of equal capacity and kind, the revised additional facilities investment shall be computed by adding to Company's investment in existing facilities, the installed costs of new additional facilities and the costs of removing any unused facilities, and subtracting therefrom the salvage value of the facilities being removed. A revised Monthly Facilities Charge will be computed at that time by multiplying the revised investment in additional facilities by the percentage rate then applicable to additional facilities.
- D. The Company reserves the right to make changes and additions, including voltage conversions, in its electrical system used to supply service to the Customer. Should the Company make any changes in its electrical system which necessitate a change in the Company's investment in additional facilities, the Customer may elect to terminate the additional facilities in accordance with the termination provision below for such facilities or to continue the additional facilities. Should the Customer elect to continue with additional facilities, the Monthly Facilities Charge will be recomputed to reflect the change in the Company's additional facilities investment due to the change in its electrical system.
- E. In the event the Customer's special electrical needs should be discontinued or terminated in whole or in part before Company's then existing additional facilities shall have been in

service [REDACTED] consecutive years, Customer agrees to pay a termination charge to be computed by adding to the installed cost of said additional facilities an estimated removal cost and subtracting therefrom the estimated salvage value of such facilities. The Company is agreeable to sell the additional facilities, once removed and disconnected from the Company's grid, at the estimated salvage value. The said termination charge will be reduced [REDACTED] for each full year the additional facilities shall have been in service.

12 SPECIAL PROVISIONS PERTAINING TO THE SUPPLY OF ELECTRICITY UNDER COMPANY'S LARGE GENERAL SERVICE SCHEDULE LGS OR LARGE GENERAL SERVICE TIME-OF-USE SCHEDULE LGS-TOU

- A. Customer meets and exceeds the qualifications under Company's Economic Development Rider ED by adding a minimum of 75 full-time employees (FTEs) and making an investment in excess of \$400,000. [REDACTED]

- B. Customer shall be billed under the most advantageous rate schedule, as determined by Customer, until Customer declares the account to be fully operational and requests service under the conditions stated herein. [REDACTED]

- C. Upon Customer's declaration that the facility is fully operational, the demand applicable to billing (on-peak only if used in conjunction with a time-of-use schedule) determined pursuant to the applicable schedule shall be reduced by [REDACTED] before billing at the applicable tariff rate. [REDACTED]

- D. Customer may at any time request to be served under an alternate schedule; however, once an alternate schedule is elected, the special provisions stated in this paragraph shall no longer be applicable thereafter. [REDACTED]

E. Penalties:

- (I) If Customer terminates electric service or the contract demand is reduced by Company or Customer before the expiration [REDACTED] Customer shall pay Company in addition to all other charges, the difference between the actual billing and billing under the otherwise applicable standard LGS or LGS-TOU Schedule, plus interest, for the load that will no longer be served by Company. Interest shall be calculated as the annual rate of interest then applicable to Customer Deposits as authorized by the Public Service Commission of SC.

(ii)

a.

b.

c.

d.

13. Should the general statutes of the State of South Carolina be revised in order to allow Open Access for Retail Electric Customers, this agreement will be amended to conform with these revised statutes.

14. This Customer may elect to install their own electrical generation equipment for the purpose of serving a portion of their internal electrical load. Nothing in this agreement shall be construed as precluding this customer from pursuing this option. However, if customer determines to install any electrical generating equipment which will be operated in parallel with Company's electrical system, Customer must execute an appropriate Interconnection Agreement and Operating Agreement to ensure the safe operation of their generating equipment. In the event the Customer chooses to self-generate, Customer shall have the option, in its discretion, of purchasing equipment to facilitate alternative standby capacity and energy or utilize the Company Standby tariff.

15. This Service Agreement is subject to the approval of the Public Service Commission of South Carolina, and any and all provisions herein are subject to change by appropriate orders of said Commission.

16.

EXHIBIT NO. 1**Points of Use**

Description	Maximum 15* Minute Demand	Phase	Wire	Voltage	Point of Delivery
Continental Tire the Americas, LLC POD #1A	██████	3	4	██████████	On the secondary bus of Company's transmission substation serving Customer
Continental Tire the Americas, LLC POD #1B	██████	3	4		On the secondary bus of Company's transmission substation serving Customer

- The kW of demand as specified in Paragraph 1 is the maximum 15-minute diversified demand for the above points of delivery. In applying the provisions of this agreement, diversified demand is further defined as the resultant demand of two or more points of delivery being conjunctively and simultaneously metered.